



Telecommunications Reform Changes Lives

In 1999 Raphael Mathe, a struggling street hawker in Gaborone, Botswana, heard talk that one of the phone companies in the market had started selling wireless public-phone packages. Raphael, the breadwinner in a family of six, decided to use his life savings and a loan to buy one – a decision that changed his life.

Prior to setting up his phone stall business, Raphael and family were only just able to get by - life as a hawker was difficult. Before cellular services came to the Botswana market, he saw no alternatives.

While there was clear demand from his customers for phone services, the state-owned telecommunications company monopolized phone services, preferring to set up its own (un-manned) landline phone booths despite the fact that these were often vandalized.



Photo: Aurora Associates

Typical phone stall in Botswana operated by private vendors.

Following policy reforms that liberalized the telecommunications sector, Botswana Telecommunication s Authority (BTA) authorized new cellular service providers. These new developments opened doors for entrepreneurs who could now buy public phone-service packages from retail outlets and airtime from the new cellular phone service providers.

Numerous, privately run public phone-stalls - like those owned by Rafael - are now part of the cityscape in Botswana, providing business opportunities and a vital service to many citizens who otherwise had no access to telecommunications services.

USAID has supported telecommunications reform in southern Africa since 1997. USAID helped 60 percent of the six countries in the southern African region draft new policies and legislation to increase competition and efficiency in telecommunications.

Later, support focused on building a strong network of regulators in the region (TRASA), and strengthening their systems and regulatory capacity. This model, cited as a best practice by the International Telecommunication Union, has been exported to East and West Africa, Eastern Europe, and the Middle East.

In Botswana, reforms have resulted in significant market expansion. In 1998, only 5.5 percent of population had a phone. Now, 5 years later, at least 29 percent do. Teledensity, the number of phones per 100 people, has risen to 9 from 5.5 for landlines and 29 from 1 for cell phones.

Now Raphael has high praises for telecommunications liberalization. This new business, which he started in late 1999, has transformed his life. "This business has given me financial freedom, allowing me to buy a house for my family, and a car to support my work. I have also learned new business skills, and now to sell other small commodities alongside the public-phone business."

